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# AGNICO MINES LTD.



## annual report

for the year ended December 31, 1967

# 1967



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# AGNICO MINES LIMITED

(Incorporated under the laws of Ontario)

Executive and Head Office	Suite 1101, 365 Bay Street, Toronto, Ontario
Mine Office	Cobalt, Ontario
* Directors	SAMUEL GELLER WILLIAM HOGARTH, Jr. MILTON KLYMAN PAUL PENNA NORMAN B. SHERIFF JOHN L. VORBACH, Jr. ARCHIE BASEN
Officers	NORMAN B. SHERIFF, <i>President</i> PAUL PENNA, <i>Vice-President and Managing Director</i> JEAN GELLER, <i>Secretary-Treasurer</i>
Mine Manager	GORDON W. KIRK
Consulting Engineer	WALTER F. BROWN, B.Sc., P.Eng.
Transfer Agent and Registrar	Guaranty Trust Company of Canada Toronto, Ontario
Auditors	Thorne, Gunn, Helliwell & Christenson Chartered Accountants, Toronto, Ontario
Bankers	Canadian Imperial Bank of Commerce Toronto, Ontario (City Hall Branch)
Shares Listed	Toronto Stock Exchange, Toronto, Ontario
Annual Meeting	May 29, 1968, 10:00 in the forenoon (Toronto Time), Saskatchewan Room, Royal York Hotel, Toronto, Ontario

\* AS AT JANUARY 31, 1968

## DIRECTORS' REPORT

To the Shareholders:

Your Directors are pleased to present the audited financial statements of the company for the year ended December 31, 1967, and also the report of the Mine Manager which provides details of mine operations, development and exploration results for this period. The following is a summary of these reports, along with a general review of developments since the end of the fiscal year.

### Financial

Gross metal revenue from mine operations of \$1,244,624 compares with \$1,083,288 the previous year, and the operating profit amounted to \$363,480 compared with \$144,673 in 1966. The operating profit represents income before deductions of \$26,878 for outside exploration, and non-cash write offs for depreciation and amortization of deferred development expenditures. Net income after these deductions amounted to \$218,760 compared to a net loss in 1966 of \$87,091.

During the year the company purchased 200,000 shares of Eagle Gold Mines Limited for investment purposes. This shareholding was acquired at a cost of \$260,000. At the close of trading on April 19, 1968, these shares had a quoted market value of \$710,000.

### Production

While production of both silver and cobalt were below the totals of 1966, gross value of metal production showed an increase of approximately 13%. This reflects the planned treatment of a lower grade of ore during the year in order to take advantage of the increase in the price of silver and simultaneously extending the ultimate

volume of ore that can be economically recovered at these higher silver prices.

The average price received for silver produced during the year was \$1.86 per ounce which compares with \$1.35 per ounce in 1966. Silver prices continue firm with quotations (in Canadian funds) varying from a low of \$1.97 to a high of \$2.60 during the first three months of 1968. The approximate average price during this period is around \$2.20 to \$2.25 per ounce. There is considerable opinion that silver prices may reach higher levels during the current year in response to speculative demand and the continuing imbalance between new mine output and world consumption of this metal.

Of the total 668,921 ounces of silver produced in 1967, 478,237 ounces equal to approximately 70% were recovered from the treatment of ore from the Agnico 407 Mine. This property continues to respond to exploration and development. As shown in the appended composite plan of the underground workings, ore is being mined from six principal stopes, many of them developed for appreciable lateral extent and indicating vertical continuity. The new 44-37 Vein, about 175 feet southeast of, and approximately parallel with the 44-25 stope, shows promise of good tonnage potential including some likely highgrade silver.

The 44-37 Vein was initially intersected by the long exploratory hole being drilled to the east at the southeast end of the mine on the 445-ft. or fourth level. A heavily mineralized vein was intersected near the collar of this hole during December, and in subsequent short hole drilling to the north two significant intersections, presumably in the same vein system, were obtained. One of these intersections assayed 600 ounces of silver



per ton. Drilling has outlined the 44-37 Vein ore zone for a distance of some 275 feet. This stope is now under development.

Since the commencement of mining at the Agnico 407 Property early in 1965 to the end of 1967, approximately 1.7 million ounces of silver have been recovered. This property has considerable unexplored area in a good geological environment. The long exploratory diamond drill hole, No. 442, is being drilled to test the favourable Keewatin-diorite contact over the approximate 1,700 feet from the present easterly development of the mine to the eastern boundary of the 407 Property.

As mentioned in the Semi-Annual Report, surface diamond drilling below the old workings in the '96 Tunnel' area west of Cart Lake, located two veins below the bottom level at 150 feet. The shaft and workings were subsequently dewatered to enable further drilling from the 150 foot horizon. This latter drilling indicated six silver veins of unknown dimensions both above and below the 150 foot level. The '96 Shaft' is now being rehabilitated preparatory to deepening the shaft some 200 feet below the 150 foot level, to open up two new levels for further underground exploration including diamond drilling.

### **Tailings Reclamation Division**

The tailings mill, treating material from the tailings in the bed of Cobalt Lake owned by the company, operated from June 16th to October 26th when this unit was shut down for the winter. During this approximate four month period with operations at about 60% of design capacity, 70,935 tons of tailings were processed from which 190,684 ounces of silver were recovered. It is considered that with milling on a more sustained

basis and with the operating experience gained during 1967, this division should be more productive during the current year.

### **General**

In addition to the composite plan of the underground workings of the Agnico 407 Mine, a map showing the extensive holdings of the company in the Cobalt Area is also attached. These holdings include several former producing mines from which more than 200 million ounces of silver were recovered by the original owners during the period from 1904 to 1922. While most, if not all of these properties have been intermittently explored over the intervening years, the current level of silver prices provides incentive for possible re-examination in light of prevailing conditions which would permit the mining of much lower grade ores than those treated in former years.

The expectation of silver prices well above the average received for mine output during 1967, should favourably influence operations during the current year. The company plans to continue in its efforts in the basic exploration of its considerable holdings in the Cobalt Silver Area.

The capable work of the technical personnel and mine employees, and the continued loyal support of the shareholders is gratefully acknowledged by the Board of Directors.

On behalf of the Board of Directors,

PAUL PENNA,  
Managing Director

April 22, 1968

# BALANCE SHEET — *December 31, 1967*

(With comparative figures at December 31, 1966)

## ASSETS

### CURRENT ASSETS:

Cash .....  
Smelter settlements outstanding, at estimated net realizable value .....  
Concentrates on hand, at estimated net realizable value .....  
Marketable securities, at cost (market value 1967, \$534,250; 1966, \$154,000) .....  
Accounts receivable .....  
Special refundable tax recoverable .....  
Supplies, at average cost .....  
Prepaid expenses .....

### OTHER ASSETS:

Special refundable tax .....  
Service deposits .....  
Other .....

INVESTMENTS IN WHOLLY OWNED SUBSIDIARY COMPANIES, at nominal value (note 1) .....

### FIXED ASSETS:

Buildings, machinery and equipment (note 2) .....  
Less accumulated depreciation .....

Mining properties (note 3) .....

DEFERRED DEVELOPMENT EXPENDITURES, less amortization .....

## LIABILITIES

### CURRENT LIABILITIES:

Accounts payable and accrued liabilities .....  
Royalty income received in advance .....

## SHAREHOLDERS' EQUITY

### CAPITAL STOCK:

Authorized — 5,000,000 shares, par value \$1 each .....  
Issued — 3,434,327 shares .....  
Less discount thereon .....

DEFICIT .....



# AGNICO MINES LIMITED

(Incorporated under the laws of Ontario)

1967	1966
\$ 21,182	\$ 21,916
496,692	261,921
61,924	69,617
292,170	181,510
6,871	14,047
	7,198
24,848	24,009
26,981	23,404
930,668	603,622
5,716	3,902
21,136	20,836
	1,250
26,852	25,988
2	2
2,006,185	1,973,920
1,615,746	1,520,852
390,439	453,068
341,061	328,561
731,500	781,629
73,388	78,719
\$1,762,410	\$1,489,960
\$ 125,077	\$ 73,262
5,000	3,125
130,077	76,387
3,434,327	3,434,327
1,053,650	1,053,650
2,380,677	2,380,677
748,344	967,104
1,632,333	1,413,573
\$1,762,410	\$1,489,960

## AUDITORS' REPORT

To the Shareholders of  
AGNICO MINES LIMITED

We have examined the balance sheet of Agnico Mines Limited as at December 31, 1967 and the statements of income, deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1967 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, GUNN, HELLIWELL & CHRISTENSON,  
Chartered Accountants.

Toronto, Canada,  
February 27, 1968.

Approved on behalf of the Board:

PAUL PENNA, Director.

MILTON KLYMAN, Director.

# AGNICO MINES LIMITED

## STATEMENT OF INCOME

Year ended December 31, 1967

(With comparative figures for 1966)

REVENUE:	1967	1966
Production of metals .....	\$1,244,624	\$1,083,288
Less marketing expenses .....	83,008	75,672
	<u>1,161,616</u>	<u>1,007,616</u>
Custom milling .....	6,953	8,055
Royalty income .....	18,435	16,200
	<u>1,187,004</u>	<u>1,031,871</u>
OPERATING EXPENSES:		
Mining and development .....	514,502	654,746
Milling .....	242,830	166,747
Transportation of ore .....	26,219	23,455
Royalty expense .....		3,513
Administration .....	54,374	51,297
	<u>837,925</u>	<u>899,758</u>
Less sundry income .....	14,401	12,560
	<u>823,524</u>	<u>887,198</u>
Income before undernoted items .....	363,480	144,673
Profit on sale of securities .....	30,690	
	<u>394,170</u>	<u>144,673</u>
DEPRECIATION:		
Tailings mill .....	81,503	
Other .....	27,670	37,920
Amortization of deferred development .....	39,359	107,283
Outside exploration .....	26,878	86,561
	<u>175,410</u>	<u>231,764</u>
NET INCOME (LOSS) FOR THE YEAR (note 4) .....	<u>\$ 218,760</u>	<u>\$ (87,091)</u>

## STATEMENT OF DEFICIT

Year ended December 31, 1967

(With comparative figures for 1966)

	1967	1966
Deficit at beginning of year .....	\$ 967,104	\$ 880,013
Net income (loss) for the year .....	218,760	(87,091)
Deficit at end of year .....	<u>\$ 748,344</u>	<u>\$ 967,104</u>



# AGNICO MINES LIMITED

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1967

(With comparative figures for 1966)

	<u>1967</u>	<u>1966</u>
SOURCE OF FUNDS:		
Operations:		
Net income (loss) for the year .....	\$ 218,760	\$ (87,091)
Add items not involving a current outlay of funds		
Depreciation		
Tailings mill .....	81,503	
Other .....	27,670	37,920
Amortization of deferred development expenditures .....	39,359	107,283
	<u>367,292</u>	<u>58,112</u>
Refund of deposit .....	1,250	
Sale of fixed assets .....	605	2,800
	<u>369,147</u>	<u>60,912</u>
APPLICATION OF FUNDS:		
Additions to fixed assets .....	47,151	393,541
Special refundable tax .....	1,814	3,902
Increase in service deposits .....	300	3,030
Deferred development expenditures .....	34,028	
Mining properties .....	12,500	
	<u>95,793</u>	<u>400,473</u>
Increase (decrease) in working capital .....	273,354	(339,561)
Working capital at beginning of year .....	527,235	866,796
Working capital at end of year .....	<u>\$ 800,589</u>	<u>\$ 527,235</u>

# AGNICO MINES LIMITED

## NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 1967

1. SUBSIDIARY COMPANIES:

The accounts of the subsidiaries, Cobalt Properties Limited and Medusa Mines Limited, have not been consolidated herein because the companies are inactive.

2. BUILDINGS, MACHINERY AND EQUIPMENT:

Buildings, machinery and equipment are valued on the basis of an appraisal made by Dominion Appraisal Company Limited on May 8, 1953, with subsequent additions at cost.

3. MINING PROPERTIES:

Mining properties acquired at the time of incorporation of the company are carried at a nominal value of \$1. Subsequent additions are at cost.

4. INCOME TAXES:

No provision for income taxes is required because the company is exempt on income from operations at the Agnico 407 Mine until January 31, 1968 and intends to apply during 1968 for a three year exemption on the tailings operation.

5. COMPARATIVE FIGURES:

Certain 1966 figures have been reclassified to conform with the presentation adopted for 1967.

6. OTHER STATUTORY INFORMATION:

Aggregate direct remuneration of directors and senior officers (as defined by The Corporations Act) is \$53,286.



## MANAGER'S REPORT

The President and Directors,  
AGNICO MINES LIMITED,  
Suite 1101 - 365 Bay Street,  
TORONTO 1, Ontario.

March 5, 1968.

Gentlemen:

I am pleased to submit the following report which covers the operations of Agnico Mines Limited for the year ending December 31st, 1967.

### PRODUCTION

The 407 Shaft and the Tailings reclamation project were the main sources of revenue during the year.

Production from 407 Shaft amounted to 478,237 ounces. This is lower than the previous year due to mining lower grade ore in order to take full advantage of the increased price of silver.

The Tailings reclamation mill had a successful operating season from June to October, producing 190,684 ounces.

It is expected that there will be an increase in silver production from this source during 1968 due to operating experience gained this past year.

The following is a comparative summary of the main production items:

	1967	1966
Ounces silver produced .....	668,921	802,151
Pounds cobalt produced .....	59,819	71,779
Gross value of metals sold .....	\$1,244,624	\$1,083,288
Gross value per ounce of contained silver .....	\$ 1.86	\$ 1.35
PENN MILL		
Total tons milled from company properties .....	37,315	47,550
Custom ore milled .....	1,545	1,790
Total tons milled .....	38,860	49,340
Total tons hoisted .....	39,096	46,848
Calculated head ounces silver/ton .....	13.67	17.69
Recovery ounces silver/ton .....	12.82	16.87
Extraction efficiency .....	93.78%	95.36%
TAILINGS MILL		
Total tons tailings milled .....	70,395	—
Calculated head ounces silver/ton .....	3.78	—
Recovery ounces silver/ton .....	2.71	—
Extraction efficiency .....	71.69%	—

### EXPLORATION AND DEVELOPMENT

407 SHAFT — During the first part of the year, diamond drilling indicated a strong cobalt-silver vein west of the shaft on the second (300') level. The vein was opened up by drifting for a length of 350 feet on a vein including some highgrade silver shoots with leaf silver in the wallrock. A vein 400 feet south of the shaft has been developed for a length of 150 feet and recent stoping has shown the vein to be up to 2 inches in width with abundant leaf silver in the wallrock.

On the third (365') level, a new vein 100 feet east of the main fault zone was developed and mined over a length of 350 feet. The vein had little silver in it while the wallrock was rich in disseminated leaf silver. Adjacent to a vein previously mined on the third level, a horizontal vein containing heavy native and argentite silver was developed and produced a small tonnage of high grade ore. Recent diamond drilling indicates that more development work will have to be done in this area.

A new heading on the fourth (445') level was started near the end of the year to develop the lower portion of highgrade silver veins formerly mined on the third level. The veins extend down to within 25 feet of level and will be further developed by raising and sub-drifting.

An exploration diamond drill hole is being drilled east from a heading at the southeast end of the workings on the 445' level. It was laid out to explore the favourable Keewatin-diabase contact for a distance of 1,700 feet. A heavily mineralized vein was intersected near the collar of the hole which was further tested by short drill holes. This has outlined an ore zone 275 feet long parallel to #25 stope.

96 SHAFT — A diamond drill programme was first carried out from the Tunnel level of this shaft which is located north of Cart Lake Shaft on the west side of Cart Lake. The drilling located two veins to the east of the old workings and at a lower horizon than the bottom (150') level of the shaft. After pumping the water from the shaft, the drill programme was continued from the 150' level. This drilling has indicated six silver veins of unknown dimensions both above and below the 150' level.

SHORT LAKE AREA — Drilling from the ice on the surface of the lake was carried out to explore the cobalt sediment rock type in this area. Veins of economic significance were not intersected and the drilling programme was terminated after the ground had been thoroughly explored.

The following is a tabulation of this exploration and development:

	1967 Footage	Unit Cost	1966 Footage	Unit Cost
Crosscutting and Drifting .....	2,749.4	\$27.88	4,434	\$29.31
Raising .....	971.5	18.56	1,309	20.81
U/G Diamond Drilling .....	51,466	3.46	48,044	3.96
Surface Diamond Drilling .....	6,860	4.96	5,704	4.30

### FUTURE EXPLORATION AND DEVELOPMENT

96 SHAFT — The results of recent diamond drilling warrant further work being done at depth in this area.

It is planned to immediately rehabilitate the shaft, install a hoisting plant and deepen the shaft by 200 feet. Two new levels will be established to provide access to the newly found ore and to provide drill stations for continued exploration. It is expected that this shaft will develop into another production unit in 1968.

### GENERAL

LABOUR RELATIONS — A new labour Contract was negotiated, effective January 1st, 1968, for a period of 18 months bringing wage rates up to that of other mining operations in the area.

Appreciation is extended to the Board of Directors, Staff and Employees for their co-operation and assistance.

Respectfully submitted,

AGNICO MINES LIMITED,

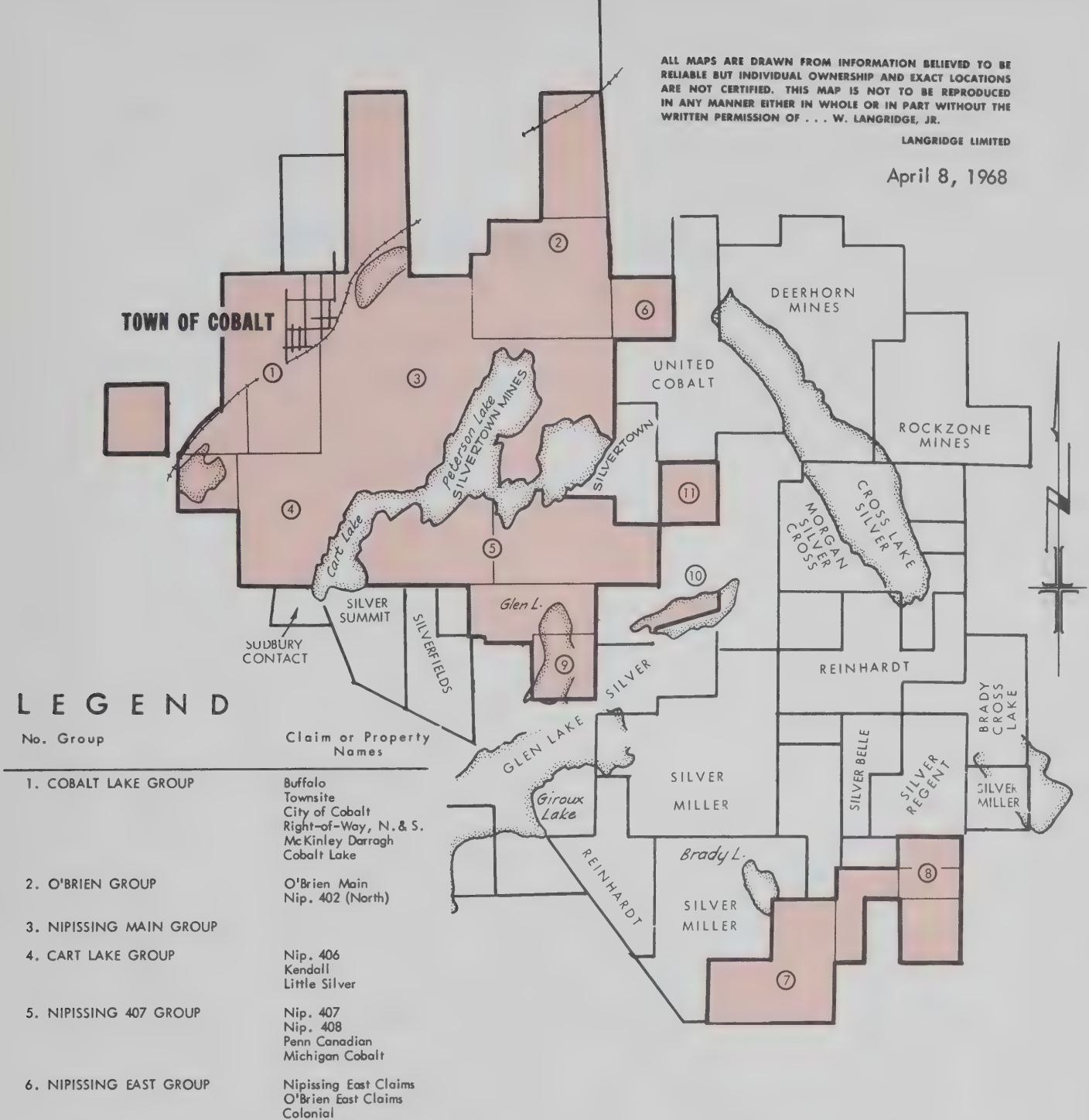
G. W. KIRK,  
Manager.



ALL MAPS ARE DRAWN FROM INFORMATION BELIEVED TO BE RELIABLE BUT INDIVIDUAL OWNERSHIP AND EXACT LOCATIONS ARE NOT CERTIFIED. THIS MAP IS NOT TO BE REPRODUCED IN ANY MANNER EITHER IN WHOLE OR IN PART WITHOUT THE WRITTEN PERMISSION OF . . . W. LANGRIDGE, JR.

LANGRIDGE LIMITED

April 8, 1968



## LEGEND

No. Group

Claim or Property Names

### 1. COBALT LAKE GROUP

Buffalo  
Townsite  
City of Cobalt  
Right-of-Way, N. & S.  
McKinley Darragh  
Cobalt Lake

### 2. O'BRIEN GROUP

O'Brien Main  
Nip. 402 (North)

### 3. NIPISSING MAIN GROUP

### 4. CART LAKE GROUP

Nip. 406  
Kendall  
Little Silver

### 5. NIPISSING 407 GROUP

Nip. 407  
Nip. 408  
Penn Canadian  
Michigan Cobalt

### 6. NIPISSING EAST GROUP

Nipissing East Claims  
O'Brien East Claims  
Colonial

### 7. LODE-CHRISTOPHER GROUP

Adanac  
Columbus

### 8. BEAVER TEMISKAMING GROUP

Temiskaming  
Gifford  
Quaker City

### 9. FOSTER

Mill Site

### 10. CROWN RESERVE

### 11. FARAH

### 12. AGAUNICO GROUP

(Not shown on map)

Agaunico  
Ruethel

### 13. DOTSEE

"

Yorkshire Cobalt

### 14. GILGREER

"

Canadian Lorraine

### 15. KEYLODE

"

Currie  
Wettlaufer

# AGNICO MINES LIMITED

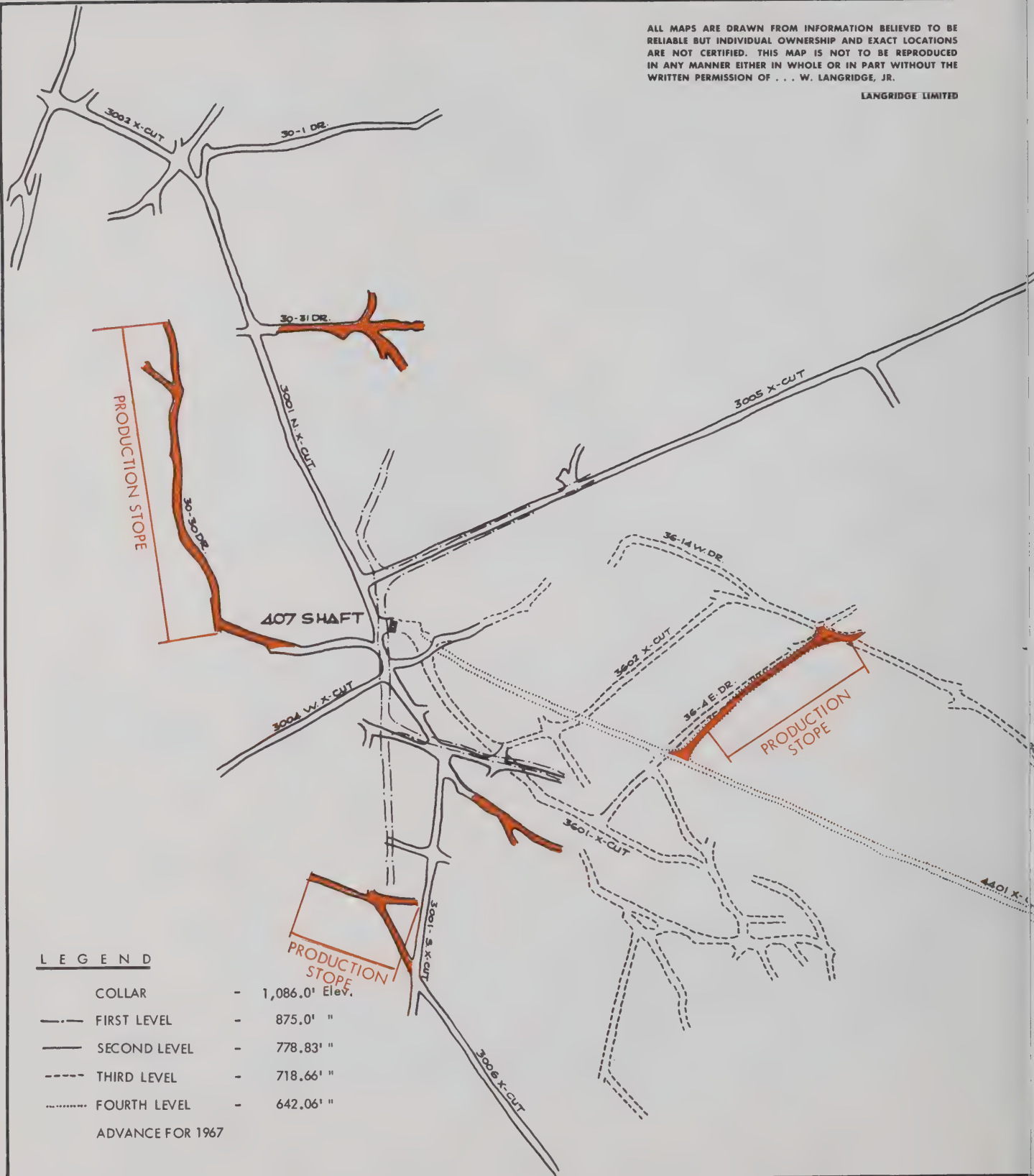
## HOLDINGS in the COBALT SILVER AREA

## ONTARIO

0 1 mile

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LANGRIDGE LIMITED



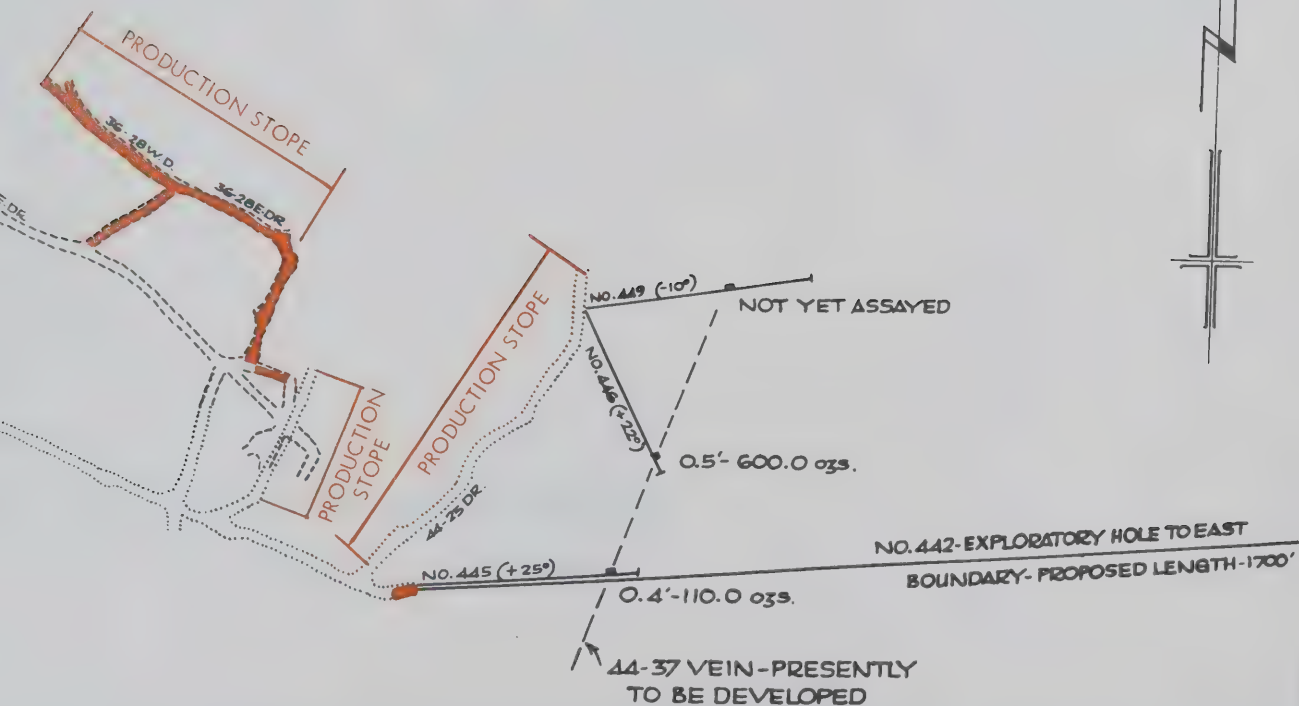


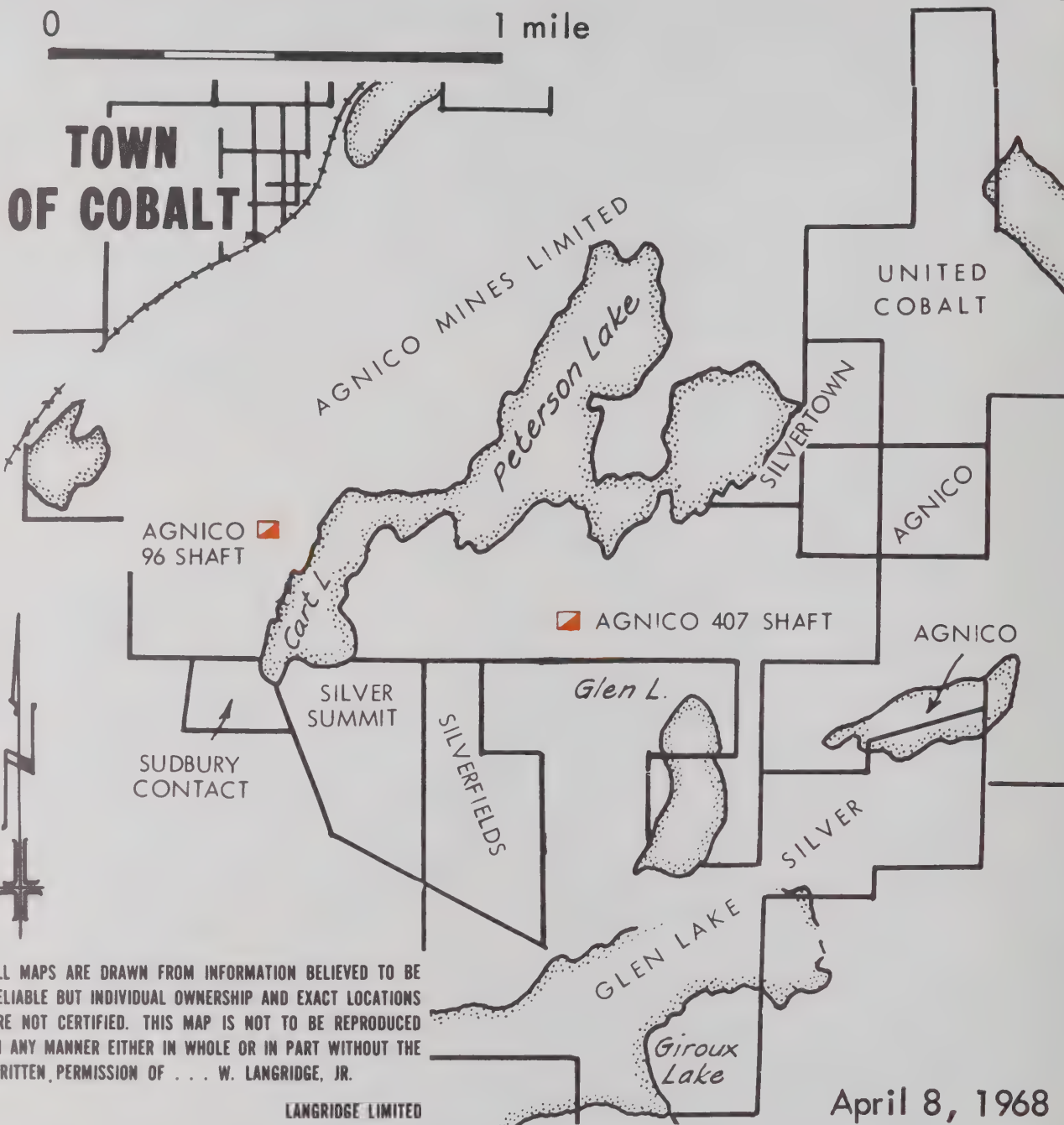
# AGNICO MINES LIMITED

COBALT - ONTARIO

## COMPOSITE PLAN of UNDERGROUND WORKINGS in the 407 SHAFT AREA

0 100 200 300 feet













late spring breakup which delayed dewatering of the tailings area until May.

During the period when the reclamation plant is operating, the Penn Mill which normally treats ore from the mine, will be shut down. Ore from the mine will be stockpiled for treatment during the winter months while the reclamation plant is inactive. This will enable the use of the same mill personnel at both plants on an alternating basis, and the resultant operation of the Penn Mill at the increased throughput rate during the winter months should improve operating efficiency and reduce ore unit treatment costs.

Underground development and exploration will be maintained at normal rates at the Agnico 407 Property during this period of alternate operation of the reclamation plant. Stopping operations are continuing on three levels with good grade ore being obtained. A program of surface prospect diamond drilling on the Agnico 407 Property, testing an area a considerable distance northeast of the shaft, will be carried out during the current season.

A program of diamond drilling probing the cobalt sediments below the old workings in the '96 Tunnel' area west of Cart Lake, was initiated recently and the results are encouraging. Two veins have been intersected assaying 154.7 ounces of silver over 4.4 feet and 80.8 ounces over 3.4 feet. More detailed drilling will be required to assess the significance of these drill intersections. Drilling was temporarily interrupted while the winze was being dewatered to enable further drilling from lower horizons.

On behalf of the Board of Directors,

"PAUL PENNA",  
Managing Director.

August 15, 1967.

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## AGNICO MINES LIMITED

### STATEMENT OF SOURCE AND APPLICATION OF FUNDS

#### FOR THE SIX MONTHS ENDED JUNE 30, 1967

(With Comparative Figures for the Six Months Ended June 30, 1966)

FUNDS MADE AVAILABLE	1967	1966
----------------------	------	------

#### By OPERATIONS

Net income for period . . .	\$ 16,338	\$ 18,399
Expenses which do not involve an outlay of funds:		
Depreciation . . . . .	13,290	18,960
Amortization of deferred development expenditures . . . . .	19,680	53,641
Proceeds from disposal of fixed assets . . . . .	—	2,800
Reduction in power contract deposits . . . . .	—	1,523
	\$ 49,308	\$ 95,323

#### FUNDS APPLIED

Additions to fixed assets . . . .	\$ 35,361	\$ 71,440
Deferred expenditures . . . . .	13,005	1,667
Special refundable tax . . . . .	—	1,850
	\$ 48,336	\$ 74,957

INCREASE IN WORKING CAPITAL	\$ 942	\$ 20,466
Working capital at beginning of period . . . . .	519,504	857,182
Working capital at end of period	\$ 520,446	\$ 877,548
Current Assets . . . . .	\$ 673,445	\$ 982,107
Current Liabilities . . . . .	152,999	104,559
	\$ 520,446	\$ 877,548

See

AGNICO  
MINES LIMITED

EXECUTIVE AND HEAD OFFICE  
Suite 1101 - 365 Bay Street  
Toronto, Ontario



Semi-Annual Report  
June 30, 1967



To the Shareholders:

Your Directors are pleased to report the operating results for the six months ended June 30th, 1967. A condensed statement of income for this period and comparative figures for the corresponding six month period in 1966, is attached.

Tonnage milled during the six months ended June 30th, 1967, totalled 28,839 tons with a payable silver content of 332,369 ounces and a gross value of \$504,413. This includes 7,466 tons of tailings treated in the new reclamation plant during the period from June 17th to June 30th, from which 17,166 ounces of silver were recovered in the concentrates.

It is to be noted that this was a tune-up period for the reclamation plant during which operations were on an intermittent basis while adjustments were made to equipment. The operating profit from the treatment of tailings during this 13 day period in June was approximately \$13,900. This is before deductions for administration, depreciation and deferred development.

The metallurgical results to date in the reclamation plant are exceeding those obtained in the preliminary test work. It is expected that recoveries and operating revenue will improve as the tailings treatment rate attains capacity of 1,000 tons daily. During the month of July, 1967, 53,158 ounces of silver were produced for a total of \$105,581 with only 600 tons of tailings per day being treated with an operating profit of over \$40,000.

As previously reported, the tailings reclamation plant will be operated during the summer months and continuing until October or November as weather conditions permit. The start-up of operations this year was later than anticipated due to a

# STATEMENT OF INCOME

(Subject to final audit)

FOR SIX MONTHS ENDED JUNE 30, 1967  
(With comparative figures for the six months ended June 30, 1966)

	Six Months Ended June 30th 1967	Six Months Ended June 30th 1966
<b>TONS OF ORE TREATED</b>	(a) 28,839	28,775
Silver — ozs.	(b) 332,369	480,136
Cobalt — lbs.	26,584	44,736
Copper — lbs.	12,890	17,863
Nickel — lbs.	7,652	14,152
Gross Value of Metal Production	\$ 504,413	\$ 649,169
Deduct Marketing Expenses	37,078	44,965
Custom Milling	\$ 467,335	\$ 604,204
Royalty Income	3,890	8,055
	\$ 471,225	\$ 621,455
<b>OPERATING EXPENSES</b>		
Mining and Development	\$ 260,757	\$ 348,618
Milling	81,472	85,916
Transportation of Ore	12,221	12,303
Royalty Expense	—	1,575
Administration	34,315	38,451
Deduct Sundry Income	\$ 388,765	\$ 486,863
	10,356	3,417
Operating Profit	\$ 378,409	\$ 483,446
Depreciation	\$ 92,816	\$ 138,010
Amortization of Deferred Development Expenditures	\$ 13,290	\$ 18,960
Outside Exploration	19,680	53,641
	43,508	47,010
	\$ 76,478	\$ 119,611
<b>NET INCOME FOR PERIOD</b>	\$ 16,338	\$ 18,399

(a) Includes 7,466 tons treated during 13 day period in June by tailings reclamation plant.

(b) Includes 17,166 ounces of silver recovered from treatment of tailings, together with 1,467 lbs. of cobalt, 1,438 lbs. of copper, and 489 lbs. of nickel.